

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 FEA-01 ACDA-07 CIAE-00 INR-07
L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-07 DODE-00
SS-15 /083 W
-----170030Z 018911 /55

R 161159Z MAY 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 3809
INFO ALL EC CAPITALS
ERDA GERMANTOWN
FHEGWDC/ERDA WAHSDC
USMISSION IAEA VIENNA

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STATE PASS TO NRC FOR COMMISSIONER KENNEDY

E.O. 11652: N/A
TAGS: TECH, EEC
SUBJECT: NRC COMMISSIONER KENNEDY MEETING WITH EC

1. NRC COMMISSIONER KENNEDY MET WITH EC COMMISSION DIRECTOR
GENERAL SCHUSTER OF MAY 13. SUBJECTS DISCUSSED INCLUDED
EXPORT LICENSING, U.S. NUCLEAR POLICY, EURATOM-IAEA
VERIFICATION AGREEMENT, AND AMENDMENT TO US-EURATOM AGREEMENT
FOR COOPERATION. THE DISCUSSIONS WERE FREINDLY, OPEN,
AND POSITIVE IN TONE.

2. COMMISSIONER KENNEDY NOTED THAT PRESIDENT CARTER HAS
RECENTLY GIVEN HIS APPROVAL TO SEVERAL PENDING LICENSES FOR
HIGHLY ENRICHED URANIUM. KENNEDY SAID THAT WHEN THESE
LICENSE APPLICATIONS COME BEFORE THE NRC, THEY WILL RECEIVE
PROMPT CONSIDERATION.

3. IN DISCUSSING THE U.S. NUCLEAR EXPORT POLICY,
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KENNEDY NOTED THAT IN HIS OPINION THERE IS NOW A BETTER
UNDERSTANDING BY FOREIGN COUNTRIES OF THE US POLICY AND THAT
MUCH OF THE EARLIER CONCERN WAS DUE TO A FAILURE TO FULLY
APPRECIATE THE TOTAL SCOPE AND OBJECTIVES OF THE US POLICY.
HE ALSO STRESSED THAT THE US POLICY IS NOT REPEAT NOT INTENDED TO
FORECLOSE NUCLEAR OPTIONS OF OTHER COUNTRIES BUT RATHER TO TAKE
THE TIME NOW TO EVALUATE ALL OPTIONS BEFORE MAKING IRREVOCABLE

COMMITMENTS TO APPROACHES THAT MIGHT NOT PROPERLY ACCOUNT FOR PROLIFERATION CONCERNS. SCHUSTER RESPONDED THAT THE EC SHARES FULLY THE US CONCERN ABOUT PROLIFERATION AND WILL JOIN THE US IN THE FUEL CYCLE EVALUATION PROGRAM. HE SAID THAT THE EC COMMISSION HAS ALREADY WORKING ON VARIOUS STUDIES IN ANTICIPATION OF THEIR PARTICIPATION. HE SAID THAT THE GENERAL EUROPEAN CONSENSUS WAS THAT EUROPE SHOULD NOT REPEAT NOT STOP WORK ON REPROCESSING AND FAST BREEDER DEVELOPMENT DURING THE FUEL CYCLE EVALUATION PROGRAM. THE REASON FOR THIS IS THE CONCERN OF LOST TALENT, TECHNOLOGICAL KNOW-HOW, AND TIME THAT WOULD RESULT FROM A DISRUPTIVE HALT IN ON-GOING PROGRAMS. EUROPE, HE SAYS, IS CONVINCED THAT THERE WILL EVENTUALLY BE ADVANCED REACTORS AND THE NEED FOR REPROCESSING AND THAT, THEREFORE, TECHNOLOGY DEVELOPMENT MUST CONTINUE.

4. SCHUSTER REQUESTED A BREAKDOWN OF THE \$750 MILLION FOR THE US FUEL CYCLE EFFORT MENTIONED BY MR NYE IN HIS SALZBURG TALK. MISSION REQUESTS THIS INFORMATION FROM DEPARTMENT.

5. SCHUSTER THEN RAISED THE ISSUE OF BRINGING INTO FULL FORCE THE EC-IAEA VERIFICATION AGREEMENT. HE SAID THAT THE IAEA ATTITUDE THAT HAS EMERGED IN ATTEMPTING TO NEGOTIATE FACILITY ATTACHMENTS HAS BEEN ONE OF IAEA "CONTROL" OVER EURATOM SAFEGUARDS RATHER THAN THAT OF "VERIFICATION." SCHUSTER FEELS THAT THIS IS NOT CONSISTENT WITH THE NEGOTIATED EURATOM-IAEA AGREEMENT AND THAT IT WILL NOT BE ACCEPTABLE TO THE EC COMMISSION, WHICH IS NOW BEING APPRISED OF THE PROBLEM. SCHUSTER ASKED FOR US UNDERSTANDING AND SUPPORT IN VIENNA FOR THE EC POSITION. COMMISSIONER KENNEDY SAID THAT AN IMPORTANT CONSIDERATION FROM THE LIMITED OFFICIAL USE

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US VIEWPOINT WAS THAT NOTHING SHOULD BE DONE THAT WOULD WEAKEN THE ABILITY OF THE IAEA TO HAVE A TRULY INDEPENDENT SAFEGUARDS CAPABILITY. HE SAID THAT WHILE THERE COULD BE SOME DEGREE OF ACCOUNTING FOR THE SPECIAL CHARACTERISTICS OF SAFEGUARDS SYSTEMS AROUND THE WORLD, INCLUDING EURATOM, ANY SUCH ACCOMMODATION COULD NOT BE OF A NATURE THAT WOULD APPEAR TO BE A WEAKENING OF IAEA'S INDEPENDENCE. HE NOTED THAT THE US WAS GRATIFIED BY THE ACTION OF THE EC IN FEB 77 IN BRINGING THE AGREEMENT INTO FORCE, AND WAS NOW ANXIOUS THAT THE FULL IMPLEMENTATION BE COMPLETED AS SOON AS POSSIBLE.

6. SCHUSTER ASKED ABOUT THE TIMING AND POSSIBLE MECHANISMS ENVISIONED BY THE US IN NEGOTIATIONS TO AMEND THE EXISTING US-EURATOM AGREEMENT FOR COOPERATION PURSUANT TO PRESIDENT CARTER'S NEW POLICY. HE ALSO INQUIRED INTO THE ROLE ENVISIONED FOR THE EC IN THE TWO MONTH FUEL CYCLE STUDY ANNOUNCED AT THE LONDON SUMMIT AND THE INFCEP. ON BOTH OF THESE INQUIRIES, COMMISSIONER KENNEDY SAID THAT THE IMPLEMENTING PLANS ARE PRESENTLY BEING WORKED OUT IN WASHINGTON AND THAT HE COULD NOT OFFER MUCH

INFORMATION EXCEPT TO NOTE THAT WITH RESPECT TO INFCEP THERE WILL BE WIDE INTERNATIONAL CONSULTATIONS AND HE FEELS SURE THAT THE EC WILL HAVE AN IMPORTANT ROLE IN THESE CONSULTATIONS.

7. SCHUSTER EXPRESSED CONCERN OVER HOW THE US EXPORT LEGISLATION WILL TURN OUT IN CONGRESS AND NOTED THEIR STRONG PREFERENCE FOR THE ADMINISTRATION'S VERSION OVER PREVIOUS PROPOSED LEGISLATION ON THIS TOPIC.

8. THE MEETING ENDED WITH BOTH SIDES STRESSING THE VALUE OF THIS KIND OF FREE EXCHANGE OF VIEWS AND INFORMATION AND THE HOPE THAT COMMUNICATIONS BETWEEN US WILL REMAIN OPEN IN THE FUTURE. HINTON

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